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COUNTRY	East Germany		DATE DISTR.	ovember 1955
SUBJECT	Permitting Hage Reduction	Finisterial Council	NO. OF PAGES	25X1
PLACE ACQUIRED	Measures /		NO. OF ENCLS.	; ;
DATE OF INFO.			SUPPLEMENT TO REPORT NO	; 25X1
	<u>:</u>			
OF THE UNITED STAT	YTAINS INFORLATION AFFECTING THE NATIONAL DEFENSE TES DITY IN THE CEANING OF TITLE 13 SECTIONS 703 - CODE, AS AUSIDED. ITS THANSLISSION OR REVEL- TRITS TO OR RECEIPT BY AN UNAUTHORIZED PRISON	THIS IS UNEV	ALUATED INFORMATION	

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The following passages are excerpts from the resolution of the Presidium of the East German Council of Ministers, 18 May 1955, concerning measures to maintain the legally established wage and malaxy regulations:

- 1. a. The application of higher wage and salary schedules, higher local or enterprise classifications, the activation of measures which result in the application of a higher wage or salary schedule, or a higher local or enterprise classification, the application of the progressive achievement wage, the application of higher premiums than those established by legal regulations, may be made only with the approval of the Minister of Labor and Professional Training.²
 - b. If, after the effective date of this resolution, 3 any of the actions listed under Para. Is should be taken without securing the approval of the Minister of Labor and Professional Training, then the individuals responsible are to be called to account and punished in accordance with the ordinance of 10 March 1953 concerning the duties and rights of staff members of governmental organs (Gesetzblatt I p. 217). In such cases the legal situation must be restored at once. But the wages, salaries, premiums, etc. paid in excess of the legal amount are not to be required to be repaid by the workers and employees who received them.
- a. Wherever the legal situation can be restored in agreement with the pertinent labor union, this should be done. In such cases, however, the restoration of the legal situation is to be thoroughly discussed beforehand with the workers, and their previous consent obtained.
 - b. In cases in which Para. 2a cannot be applied, the illegal wages, salaries, premiums or local and enterprise classifications are to be maintained on an individual basis (personengebunden) until the effective date of this resolution. An accurate list of such persons is to be made. The funds for such payments are to be handled separately.

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3.	· & .	After the effective date of this resolution, saleries because paid to employeds, for whose work no legal salary regulation prevails, are not to be reised. Such salaries are to be maintained on an individual basis until the effective date of a new regulation. Exceptions may be made for individual salaries which are paid in accordance with the legal regulations.	
	ъ.	When an employee who has been paid on an individual basis gives up his position, his successor is to be paid the salary certified by the Position Planning Commission for that position, in the Position Plan. If no certified Position Plan exists, then the successor may be paid no more than the average salary for similar work in that particular branch of the economy (Wirtschaftszweig). Such an average salary must be determined for the various suppleyes groups by the main administrations and certified by the State Position Planning Commission.	÷
	c.	If an individual contract is made with the employee's successor on the basis of the legal regulations, then section 3, paragraph b, is not applicable. In such case, the legal regulations for making individual contracts are to be observed.	
	d.	The Ministry of Labor and Professional Training and the State Position Planning Cosmission are directed to draft, prior to 30 May 1955, instructions for determining and establishing salary averages, and are to promulgate such palary averages.	
	e >	The Ministry of Labor and Professional Training and the State Position Planning Commission are instructed to coordinate with the Ministry of Finance and the Directorate of the Free German Trade Union Federation (FDGB) in initiating measures for establishing work and qualification standards, as well as salary scales for commercial and technical employees.	
4.	Nor men	"Resolution concerning the Setting of Wages after Cancellation of Work n Raises", of 25 June 1953, has been rendered out of date by the develop- t of our economic conditions and is therefore no longer to be applied in etice.	
5.	©1	"Resolution concerning the Cancellation of Wage and Salary Reclassifications", 23 July 1953, which was valid only for reclassifications prior to 23 July 3, is no longer to be applied.	
		Comments:	25 X 1
1.	The	bureaucratic verbiage of this resolution was designed to conceal the fact	
	the whice reoperand grad	the resolution inaugurated a notable reversal of the East German wage cy which prevailed since July 1953 The resolution restored policy ("legal situation") of raising work norms and downgrading jobs, h was a cause of the Berlin riots of 17 June 1953. Since this resolution ened the door to wage reductions, freezing of norms, downward job revisions reclassifications, and the transfer of workers to other places at lower pay es, it was not published in the official journal and it is being implemented	25X1
	basi	trusively in key plauts and establishments rather than on an industry-wide	25 X 1
2.	the	this approval must be coordinated with	25X1
3.		umably 30 May 1955 (see Para. 3d).	
k.	This	term refers to salaries paid to some economic specialists and for hazardous	
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		SECRETAR	25 X 1